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"Compassionate" was the word he used to describe the kind of administration he wanted. "A better deal" for the poor was the slogan to carry out this ideal. He defined his political position as "a progressive who is prudent."

If the commanding ground of American politics is the center, President Johnson captured it this evening. Economically, he defended the free enterprise system with more eloquence than has been heard from the U.S. Chamber of Commerce since the early days of Eric Johnston. Militarily, he made BARRY GOLDWATER'S suggestion about landing the Marines in Cuba sound like the proposal of an impulsive boy.

DISCUSSES HIS HEALTH

The President was even detached, almost indifferent, about himself. He discussed his health objectively, as if he were giving a clinical report on the incidence of rickets among the Eskimos. He talked about his 18-hour or 19-hour workday as if this were the least he could do to show his gratitude for having a good job.

Thus, he has come to the end of the experimental period in the public relations of the Presidency, and he has covered a wider range than any President of our time.

He has had news conferences off-the-cuff, on television tape and live. He has had fireside chats on Thanksgiving, and congressional appearances, and reports on the tax bill, half on TelePrompTer and half extemporaneous.

Beyond that, aside from having telephoned most of the characters in Who's Who, he has had every Members of both Houses of Congress to a sort of combination cocktail party, dinner, official briefing, and dance at the White House while the legislators' ladies were touring the upstairs bedrooms. And if you think this isn't effective politically, ask the chairman of the Republican National Committee.

If he made any mistake at all tonight, it was merely in coming out against smoking, and admitting that while it was hard, he stopped because his doctor told him to. This is not likely to be popular in North Carolina, but he's probably going to carry that State anyway.

Mr. HOLLAND. Mr. President, I shall not ask for another live quorum call, which I say to the acting majority leader I would have the right to do at this time, because I wish to bring the business of the Senate to a close as quickly as possible; and I am sure the acting majority leader feels the same way.

I am now glad to yield to the Senator from New York [Mr. KEATING] provided that in doing so I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOVIETS SHUT DOWN MATZOTH BAKERIES

Mr. KEATING. Mr. President, the latest action on the part of the Soviet Union proves conclusively, if additional proof were needed, that the Soviet Government is conducting a deliberate campaign against the Jewish religion in the Soviet Union. A bakery was opened last week in Moscow to bake matzoth, but after 2 days of operation, the bakery was closed down, allegedly for unsanitary conditions. Therefore, despite the expected shipments of matzoth to the Soviet Union from other nations, there will undoubtedly be a serious shortage for observance of the Passover.

Moreover, as a result of the closing of the bakery, those who had planned to use this source and had turned in flour allotments in return for the anticipated matzoth are left with nothing, neither flour nor the prospect of matzoth.

Mr. President, the free world is learning more, day by day, about brutalities against the Jewish people during the Second World War. The civilized world is asking itself day after day how such things could have happened that are being recounted by the survivors of the concentration camps of the last war. Yet here, in these acts of willful harassment, of discrimination, of harsh bureaucracy, are seen the seeds of the same kind of inhumanity and persecution of the Jewish faith and people.

Mr. President, after months of protest, I am glad to learn that our own Department of State is undertaking an on-the-spot review of the situation and of Soviet policy with regard to the baking of matzoth.

Today I have received a reply from Assistant Secretary of State Dutton, in which among other things he says:

The Department has recently asked the American Embassy at Moscow to attempt to ascertain present Soviet policy on this question. As soon as a reply is received from the Embassy, the Department will communicate with you again.

This move I hope will mark an end to the hands-off policy that our Government has been following for too long where Soviet religious discrimination is concerned. I sincerely hope that our representatives in Moscow will take a long hard look at the problem and report, not only to the confines of the Department of State but also to the whole world, what crass disregard of religion and spiritual purpose takes place in the Soviet Union with the full backing of the Soviet Government.

I feel certain any expression of interest by the United States, or by other nations, will serve to spotlight the problem and may contribute substantially toward prompt easing of these harsh and arbitrary restrictions that have been imposed by the Soviet Government.

I thank the Senator from Florida for his courtesy in yielding to me.

Mr. HARTKE. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am glad to yield to the Senator from Indiana with the understanding that in doing so I shall not lose my right to the floor.

TREASURY BACKS HARTKE COLLEGE AID BILL

Mr. HARTKE. Mr. President, Assistant Secretary of the Treasury Stanley S. Surrey has forwarded to me a copy of the report furnished by the Department to the Senate Committee on Labor and Public Welfare, reviewing and analyzing the Hartke college student assistance bill, S. 2490, on which hearings are currently being held in the Education Subcommittee chaired by the senior Senator from Oregon.

This is a most important statement, Mr. President, in view of the fact that my bill was introduced at the time the Ribicoff amendment to the tax bill was about to be considered. The Treasury vigorously opposed the tax credit aid to parents of college students, both as part of the tax package and in principle. A member of the Treasury staff was in several consultations with me, and with members of the Office of Education, during the drafting of S. 2490. Its provisions were in accord with Treasury thinking, and now in its formal opinion to the committee, it has taken a position explaining in some detail the reasons for its objection to the tax credit proposal, together with a positive approval of the goals of the Hartke bill. I invite the attention of Senators, a score of whom are now cosponsors of the bill, to one statement in particular, which states:

We also wish to give the Treasury's strong endorsement to the kinds of direct aid measures included in S. 580 and S. 2490.

I also invite attention to two sentences at a later point in the statement:

S. 2490, which provides for expansion of National Defense Education Act loans, loan insurance, work-study programs, and undergraduate scholarships, would involve less than half the cost of the tax credit for college expenses considered by the Senate and at the same time would appear to be more precisely directed toward real needs. All of these forms of aid appear to the Treasury to be far preferable to the use of the tax system in combining fiscal responsibility with effectiveness.

Mr. President, the assessment of the Treasury Department is cogent and well reasoned. It takes a forward step in that it reflects a considered decision made at policy level, a decision to put forward positive considerations as to the role of public funds in producing public good rather than in any sense being obstructive. It is a valuable statement which is well worth reading by all the Members of this body. Therefore, Mr. President, I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

HON. LISTER HILL,

TREASURY DEPARTMENT,
Washington, March 5, 1964.

Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is with reference to your request for a report on S. 2490 which would provide assistance for students in higher education by increasing the amount authorized for loans under the National Defense Education Act of 1958 and by establishing programs for scholarships, loan insurance, and work study.

The Treasury is aware of the great need for expanding educational opportunities and favors those fiscally responsible measures which will most effectively accomplish this objective.

In connection with the pending tax bill consideration was given to amendments which would have provided tax credits or deductions for certain college expenses. As you know, the Treasury Department opposed these amendments. In a report to the Senate Finance Committee the Department stated there are several possible methods by which the Federal Government can provide assistance to those seeking higher education and that full consideration of these various methods is essential. The Department expressed the belief that Federal assistance by measures other than tax provisions is a much

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more efficient and equitable method of aid, and that the use of the tax system to attempt to provide assistance might interfere with other more effective, equitable, and desirable proposals, such as the programs of direct aid to students now under consideration by the Subcommittee on Education. For this reason, the Department recommended that consideration of all the methods of providing assistance should be coordinated and full public hearings should be held on the proposals so that all interested parties could be afforded an opportunity to be heard.

In connection with the Senate debate on proposals for aiding students through tax measures, S. 2490 was offered by Senator HARTKE as an alternative. Also, during the debate the Chairman of the Education Subcommittee of the Labor and Public Welfare Committee indicated that it would not be proper for the Senate to make a decision on these proposals until the subcommittee has had an opportunity to hold hearings on how best to provide student aid. At the same time, he announced that the subcommittee would immediately begin hearings on the guaranteed student loan proposal and other provisions of S. 580 relating to student aid on which action has not yet been taken and on S. 2490.

We are glad to have this opportunity to state some of the reasons why the Treasury opposes tax credits or deductions as a means of assisting students. We also wish to give the Treasury's strong endorsement to the kinds of direct aid measures included in S. 580 and S. 2490.

The Treasury is constantly presented with proposals to accomplish all sorts of desirable social objectives through the tax system. In general, these objectives can be accomplished more effectively and economically by other means. An important advantage of direct means, as compared with tax allowances, is that the Congress retains control of the amount of aid through the appropriation process and can distribute the aid where needed most.

Sponsors of tax allowances for college expenses place emphasis on different objectives. Some present them as an educational measure designed (1) to assist students who are seeking higher education and (2) to give indirect assistance to institutions of higher education by making possible tuition increases (thereby providing an alternative to direct aid to such institutions or a supplement to direct aid). Others present them as a tax measure intended to give relief to middle income families with children in college.

The Treasury believes that tax allowances for college expenses have great deficiencies as either a tax measure or an educational measure. A principal objection to tax allowances is that a deduction or credit for college expenses, regardless of its form, will not give relief where it is most needed and, therefore, will not expand educational opportunity. Nontaxable persons and taxpayers with insufficient tax liability to take full advantage of the tax allowance would obtain little or no benefit. Large families with low income would receive little or no benefit while families of fairly substantial means who would send their children to college in any event would get the most relief.

While the Treasury recognizes that the high costs of college education impose heavy burdens on families with children in college, we agree with the Department of Health, Education, and Welfare that the available Federal resources should be used to assure that, insofar as possible, no capable student will be denied the opportunity for education beyond high school because of his or her parents' inability to meet the financial burden. Tax allowances would contribute little to the achievement of this objective. It would be difficult to justify a provision of hundreds of millions of dollars of tax relief to families with children in college while as many as 120,000 or more qualified students each year are prevented from going to college, primarily because of inadequate financial resources.

The tax credit proposal which was considered by the Senate was an extremely costly proposal. The Treasury believes that the loss to the Federal Government of so substantial an amount ($750 million at current levels and $1.3 billion by 1970) as would have resulted from the tax credit would affect the amount of Federal funds available for other forms of aid to higher education. In connection with consideration of other possible pansion of the National Defense Education Act student loan program, establishment of a work-study program, or an undergraduate scholarship program, the Congress would certainly take account of the fact that $750 million had been provided in the name of student aid through the tax credit. This would be true regardless of the fact that the aid program under the tax credit might be distributed in a very different manner than the various other forms of aid. As the chairman of the Education Subcommittee indicated during the debate on the tax credit amendment, Congress can be taken "up the line" only so many times in a certain period of time on the question of passing proposed legislation in a particular field.

Among the various student aid measures under consideration by the subcommittee, the Treasury has had a particular interest in the approach entailing an educational loan insurance program. This proposed program, following in the pattern of the tested and highly successful mortgage and other loan insurance programs, can provide the needed catalyst for bringing the vast financial resources of existing lending institutions to bear on the problem of assuring educational opportunities for every student able and willing to undertake higher education. Just as mortgage insurance has, on a self-supporting basis, helped channel a vastly increased supply of funds into homebuilding and brought home ownership within reach of most of our families, Federal insurance of loans for higher education can be a major step toward providing funds for self-reliant college students on terms suited to their special needs. There are precedents for this loan insurance program in various States and in one growing privately sponsored plan. These programs, while limited in size, provide ample evidence of the feasibility and usefulness of this kind of assistance. The need today is to achieve much broader, national coverage, and to do so promptly and effectively.

A great advantage of this program, as a supplement to more specialized and necessarily costly types of assistance, is that any full-time student with passing grades would be eligible for a loan. Eligibility for such insured loans would be based only on full-time enrollment and continuation of satisfactory academic progress. The education would itself, by increasing earning capacity, provide the means for paying off the loan.

This guaranteed loan program would reach the legitimate needs of students from middle-income families, as well as low-income families, faced with raising within a relatively short period of time the funds necessary to finance a college education. By borrowing at reasonable rates over a period of years these college costs can be spread over a period of time which will permit repayment in line with current earning capacity.

In assessing the need and potential usefulness of this kind of program, it should be emphasized that students do not need to borrow the full cost of a college education. Most people are surprised, for instance, to find that the average loan under the existing National Defense Education Act program is $500, well under the $1,000 maximum limitation on a loan. This is because students obtain a large proportion of needed funds through employment, scholarships, and other sources, and the loans typically serve to supplement these sources, rather than to finance the entire cost. A survey of student borrowers under the National Defense Education Act student loan program shows that more than half finance three-fourths or more of their college expenses from sources other than their families' income; 30 percent finance their entire college costs out of jobs, loans, and scholarships. Census data on sources of financial support for all students enrolled in college in October 1959 indicate that only about 28 percent relied on parents only. For 21 percent of all students, their own work or savings was the sole source of support; for another 7 percent, scholarships and their own work were the only sources of support. About 30 percent combined their own work and/or scholarships with some family assistance. By supplementing other sources of funds and enabling potential students to close the gap between resources and expenses, the insured loan program will make it possible for them to undertake and complete an education that, for lack of a few hundred dollars a year, might not otherwise be feasible.

Clearly, the program is not a substitute for, or competitive with, other forms of aid for the specially needy and gifted student. Rather, it is a broadly based supplement, available to all students and families willing to accept the responsibility of using credit constructively in their own interest, as well as that of the Nation, by making an investment in education—an investment that should be repaid many times over.

No program of grants and subsidies—useful as they are in meeting the specific needs of the specially gifted or needy—can be expected to do the entire job alone, nor should they when private funds are available to be mobilized, and the potential returns to the borrower are as high as they are in education. Costs of college education are high, and Government should accept a responsibility to assist in enabling responsible families in the middle, as well as the lower, income brackets to spread these costs over time. A tested technique for accomplishing that result by enabling private lenders to do a better job is incorporated in this bill.

We believe this bill can go a long ways toward meeting the needs and concern expressed by so many respecting financial assistance to those seeking higher education.

With respect to the total package of aid proposed by S. 580 and S. 2490, officials of the Department of Health, Education, and Welfare are, of course, better equipped to discuss the relative needs and the most appropriate forms of financial aid for meeting them, including the appropriate allocation of any federally allocated funds among the various forms of aid. We would point out, however, that the insured loan program and work-study program proposed in S. 580 involve only small amounts of Federal appropriations in the 1965 budget. S. 2490, which provides for expansion of National Defense Education Act loans, loan insurance, work-study programs, and undergraduate scholarships, would involve less than half the cost of the tax credit for college expenses considered by the Senate and at the same time would appear to be more precisely directed toward real needs. All of these forms of aid appear to the Treasury to be far preferable to the use of the tax system in combining fiscal responsibility with effectiveness.

In endorsing the objectives and nature of this package of educational aid measures, we should point out the relationship of the existing National Defense Education Act program, if considered as a program of direct

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